# NAE: An Overview

## Achieving aircraft and carriers ready for tasking at reduced cost

16 Oct 2006

Cleared for Public Release

# Stakeholders

**The Naval Aviation Enterprise (NAE) comprises all Naval Aviation stakeholders. We are committed to a dynamic warfighting partnership that will advance the relevance, efficiency and readiness of the United States Naval Air Forces.**

***Internal***

- **NAE BOD and immediate staff**
- **NAE workforce**
  - **Leadership: military, civilian, contractor**
  - **Supervisors: military, civilian, contractor**
  - **Workers: military, civilian, contractor**
- **USMC**
- **NAE Communications Team, site leads**
- **NAE Cross-Functional Teams**
- **Metrics team**

***External***

- **Larger Navy**
- **DoD organizations**
- **Military partners**
- **Industry partners**
- **Local base communities**
- **Local base government**
- **Congress**
- **Military families**

## NAE Vision

**Deliver the right force with the right readiness at the right cost at the right time . . . today and in the future.**

## NAE Mission

**Support the Fleet and Unified Commanders by providing combat-ready Naval Aviation forces which are fully trained, properly manned, interoperable, well maintained and supported.**

# Goals

- **Balance current and future readiness** - Support the Fleet Response Plan (FRP) and maintain safety
- **Reduce cost of doing NAE business** - Maximize "product per dollar" to Naval Aviation
- **Enhance organizational agility** - Improve NAE responsiveness and adaptability
- **Maintain/Improve CNO alignment** - Align NAE processes, products and services to accomplish the goals of Sea Power 21
- **Implement Fleet-driven metrics**
- **Attain and maintain visibility across the Enterprise**

# Background

- **NAPPI—1998: Naval Aviation Pilot Production Initiative. Naval Aviation begins to work as a cross functional team to resolve interdependent issues of manpower, training and equipment by eliminating stovepipes and improving processes.**
- **AMSR—1999: Aviation Maintenance & Supply Readiness study identified root causes of deficiencies and began work to improve material and supply readiness.**
- **CNAF—2001: CNO tasked Commander Naval Aviation Pacific (CNAP) to oversee all of Naval Aviation, as the single process owner, Commander Naval Air Forces (CNAF).**
- **NAVRIIP—2001: The Naval Aviation Readiness Integrated Improvement Program built upon AMSR recommendations and implemented a comprehensive program to fundamentally change the way the Navy provides manpower, equipment and training to stateside Naval Aviation commands.**
- **Depot AIRSpeed program adopted 1999: using Lean, Six Sigma and Theory of Constraints in the depot setting to reduce cycle time and improve productivity.**
- **Enterprise AIRSpeed program adopted 2003: aligns Organizational-Level, Intermediate-Level and Depot-Level supply replenishment and repair processes to the demands of the Fleet operator**
- **NAVAIR AIRSpeed program adopted 2004: adapting the methods and processes of Depot and Enterprise AIRSpeed to the service operations of NAVAIR.**
- **RFT—2003: Aircraft Ready for Tasking (RFT) focused on Type Model Series (TMS) as the touchstone for readiness reporting.**
- **NAE—2004: Naval Aviation Enterprise matured to expand the cross-functional work of NAVRIIP across all of Naval Aviation. It developed three cross-functional teams (CFTs): NAVRIIP/Readiness, Total Force Readiness, and Cost Management.**

# Definitions

**An Enterprise is guided by four principles:**

1. *Process view* – horizontal thinking (beyond the boundaries).
2. *Transparency* – each piece of the enterprise must see the process ahead of it and the process behind it
3. *Metrics* – that are linked throughout the processes and build on each other
4. *Accountability* – for actions taken and not taken

**Cross Functional Teams (CFTs) span NAE to solve problems**

A CFT is a group of subject-matter experts/decision-makers picked from each functional area along given processes or *value streams* (production flows). They work together to resolve problems, eliminate barriers to CWR and improve processes.

## NAE's single Fleet-driven Metric:

***Aircraft and carriers ready for tasking at reduced cost***

is measured by

- **Inventory: How much do we really need?**
- **Reliability: How long will it last?**
- **Cycle Time: How long will it take to produce/maintain?**
- **Cost Reduction: How much will it cost?**

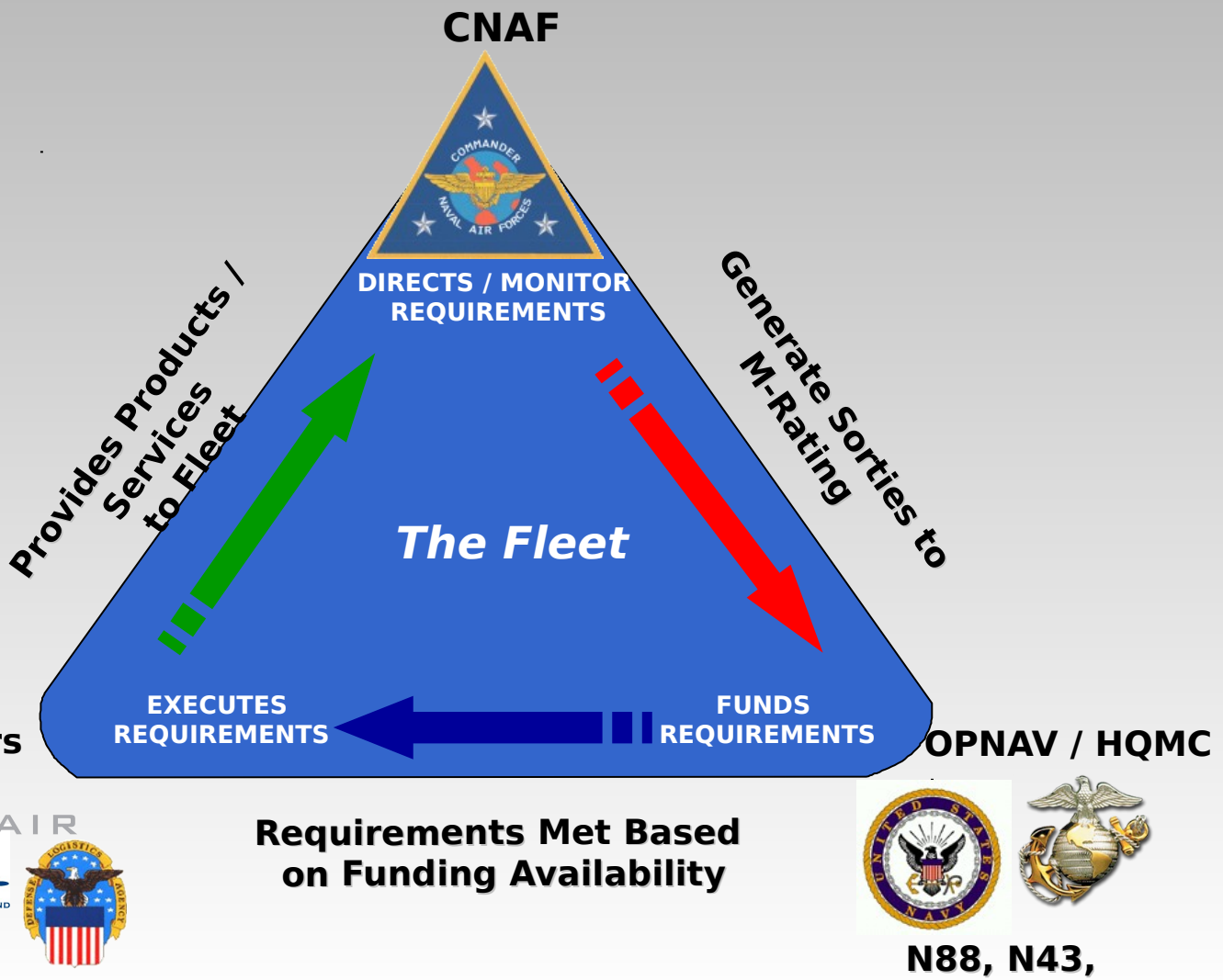
1. *Prioritize capabilities, define requirements, efficiently acquire and properly prepare* relevant and optimally sized Naval Air Forces that satisfy our nation's warfighting needs.

2. *Operate with a common set of linked processes*, each having an owner, metrics and an action plan that drives continuous improvement.

3. *Manage with performance and financial metrics* as a common Enterprise language. We will install processes that are repeatable, agile and predictive.

4. *Execute a Continuous Improvement Program* designed to define, measure, improve and control Naval Aviation Enterprise processes, to include total force readiness, acquisition, training, and material readiness.

# Working Differently



# Current Structure

## Board of Directors (BOD)

***Commander, Naval Air Forces (CNAF), CEO**

***Commander, Naval Air Systems Cmnd. (NAVAIR), COO**

***Commander, Naval Air Forces Atlantic (CNAL)**

***TFR Officer (AIR 1.0, NAVAIR)**

***Chief Financial Officer (AIR 6.8, NAVAIR)**

**N43, N82, *N88**

**Deputy Assistant Secretary of the Navy, Air**

**Deputy Assistant Secretary of the Navy, Logistics**

**US Marine Corps Aviation (USMC AVN)**

**Naval Strike Air Warfare Center (NSAWC)**

**Naval Supply Systems Command (NAVSUP)**

**Operational Test & Evaluation Force (OPTEVFOR)**

**Commander, US Fleet Forces Command (CFFC, N4/7)**

**Chief of Naval Air Training (CNATRA)**

**Commander, Naval Air Forces Reserve (CNAFR)**

Naval Education & Training Command (NETC)

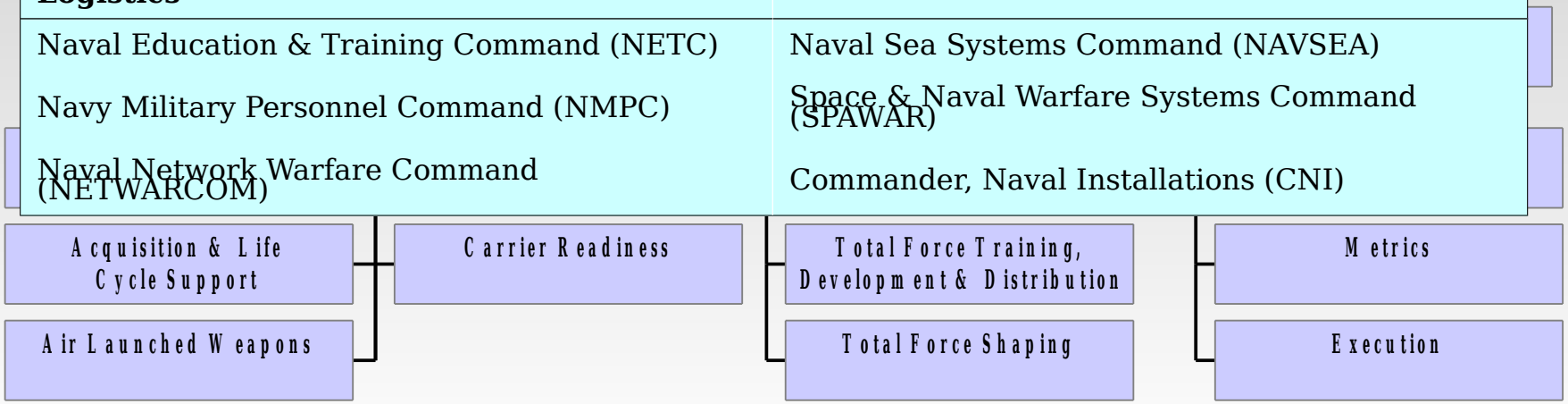
Navy Military Personnel Command (NMPC)

Naval Network Warfare Command (NETWARCOM)

Naval Sea Systems Command (NAVSEA)

Space & Naval Warfare Systems Command (SPAWAR)

Commander, Naval Installations (CNI)



## What is the NAE NAVRIIP CFT?

- A cross-functional team under the cognizance of the NAE, chartered to balance and align interactions between O-I-D level maintenance and the associated logistics infrastructure.

## The NAVRIIP CFT Mission:

- Achieve cost-wise aircraft and carriers ready for tasking at reduced cost across the entire Naval Aviation Enterprise.
- Identify cultural barriers, define metrics for processes, make recommendations, initiate actions, and track results.
- Execute a process improvement program: Enterprise AIRSpeed is NAVRIIP's key enabler for generating cost-wise readiness, using the tools of Lean, Six Sigma and Theory of Constraints.

## The NAE TFR CFT's Six Objectives:

- Aviation Current Readiness
- CVN Current Readiness
- Maintenance, Supply Chain, and Life Cycle Support
- Process Improvement Program
- Future Readiness

# Total Force Readiness CFT

## What is the NAE Total Force Readiness (TFR) CFT?

- The TFR CFT focuses on improving the value and reducing the cost of the people element of our single Fleet-driven metric, "aircraft and carriers ready for tasking at reduced cost now and in the future."
- The TFR CFT is the single process owner for transforming how we attract, train, develop and retain the NAE Total Force.

## The NAE TFR CFT Vision:

*To provide an agile and efficient Total Force value chain that produces the right people, with the right competencies, at the right place, at the right time, to accomplish the right work for the best value now and in the future.*

## The NAE TFR CFT's Six Objectives:

- Alignment
- Metrics
- TFR Ownership
- Talent to Task
- Employer of Choice
- Transformation

# Cost Management Vision

- **Build an effective strategic cost management process**
- **Operate with a common set of linked financial processes**
- **Provide guidance as to the financial soundness of programs and proposals**
- **Implement a continuous productivity improvement program**
- **Capture and redirect results from cost savings initiatives to asset recapitalization. Develop and implement financial metrics that facilitate financial performance measurements**
- **Act as chief communicator of NAE's financial information**

# AIRSpeed has been a prime vehicle to institute efficiencies for NAE

- ***Depot AIRSpeed:*** **using Lean, Six Sigma and Theory of Constraints in the depot setting to reduce cycle time and improve productivity**
- ***Enterprise AIRSpeed:*** **aligning Organizational-Level, Intermediate-Level and Depot-Level supply replenishment and repair processes to the demands of the Fleet operator**
- ***NAVAIR AIRSpeed*****: adapting the methods and processes of Depot and Enterprise AIRSpeed to the service operations of NAVAIR**
- **Now all AIRSpeeds will be combined under a single NAE umbrella for proper prioritization and maximum coordination.**

# 2005 FLYING HOUR PROGRAM (FHP) SUCCESS

***WE EXECUTED THE FHP AND SUPPLEMENTAL FUNDING FOR OEF / OIF + OTHER OPS (E.G., HURRICANE KATRINA) MORE EFFICIENTLY***

- **THIS RESULTED IN *$50M* AVAILABLE FOR OTHER OMN PRESSURES (E.G., FUEL / OBLIGATIONS WITHIN THE ENTERPRISE)**
  - **ORDER OF MAGNITUDE: $50M =**
    - **ONE AND A HALF (1.6) T-45 *GOSHAWKS**** **. . . OR . . .**
    - **TWO AND A HALF (2.9) MH-60S *SEAHAWKS**** **. . . OR . . .**
    - **68 *TOMAHAWK* MISSILES*** **. . . OR . . .**
    - **107 *ADVANCED MEDIUM RANGE AIR-AIR MISSILES* (AMRAAM)***

* UNIT RECURRING FLYAWAY COST
(DOES NOT INCLUDE SPARES OR PRODUCTION SUPPORT COSTS)

NOTE: CNAF AFAST DATA – USN NAVRIIP T/M/S



*UPDATED: 10 APRIL 2006*
*DATA SOURCE: AIR-10.3*

# For More Information

- **Websites:**
  **NAE: www.cnaf.navy.mil/nae/**
  **NAVRIIP: www.cnaf.navy.mil/navriip/**
  **AIR*Speed*: www.cnaf.navy.mil/airspeed/**
  **NKO: www.nko.navy.mil (NAE University)**

- **Newsletter:**
  **NAVRIIP/Enterprise AIR*Speed*:**
  ***www.cnaf.navy.mil/navriip/main.asp?ItemID=334***
  **or www.cnaf.navy.mil/airspeed/main.asp?ItemID=374**

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